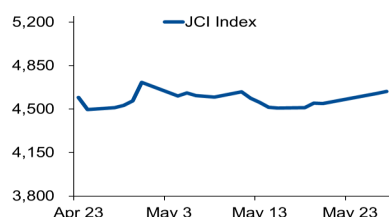


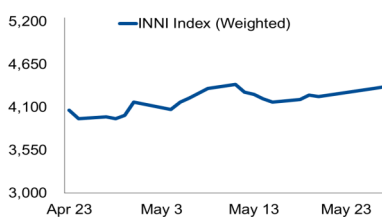
Morning Brief

Daily | May 28, 2020

JCI Movement



INNI Movement



Market Recap

IHSG still continues to close higher, highlighted by Banking and Basic Industry sectors. **JCI's Top Gainers: Trade (+1.0%), Finance (+0.9%), Misc. Ind. (+0.3%)**

INNI Index ended up on the green, driven by gains from Basic Industry and Construction stocks, SMGR and WIKA.

Daily Foreign & Domestic Sector Movement

At market close (27/05/2020), IHSG posted a foreign net sell of IDR274 billion. Foreign investors continue to dispose banking stocks such as BBNI and BMRI with transactions value of IDR116 billion and IDR45 billion respectively. Furthermore, TLKM also recorded foreign net sell of IDR163 billion. The state-owned company booked a FY19 revenue of IDR135 trillion or up 3.7% from previous year.

USD/IDR Highlight

Meanwhile, USD/IDR spot closed up 0.31% to IDR 14,710/USD.

Today's Outlook: Potentially Restructured Loans on the Rise

Dow Jones continues to rally significantly by 553 points (+2.2%) as investors put more emphasis on business reopening rather than rising tension between US and China. From domestic side, the Financial Services Authority (FSA) estimates that the potential amount of restructured loans to be IDR1.308 trillion from 15.2 million debtors. The number comprises from non-SME loans of IDR756 trillion and SME loans of IDR552 trillion.

Company News

- BBRI : Wins the Most Valuable Banking Brands
- BBCA : Disburses IDR 2 Trillion Loan to Bank Woori
- CTRA : Maintains Occupancy Rate at 95%
- MAPI : Expects Growing Sales after Malls Reopening

Domestic & Global News

- BI Prints IDR1,129.49 Trillion FY19
- U.S. Mortgage Hike for 6 Consecutive Weeks

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.50%	4.50%	Real GDP	2.97%	4.97%
FX Reserve (USD bn)	127.88	120.97	Current Acc (USD bn)	(3.92)	(8.08)
Trd Balance (USD bn)	(0.34)	0.74	Govt. Spending Yoy	3.74%	0.48%
Exports Yoy	-7.02%	-0.20%	FDI (USD bn)	4.51	4.60
Imports Yoy	-18.58%	-0.75%	Business Confidence	104.82	105.33
Inflation Yoy	2.67%	2.96%	Cons. Confidence*	84.80	113.80

JCI Index

May 27	4,641.55
Chg.	+14.75pts (+0.32%)
Volume (bn shares)	76.90
Value (IDR tn)	8.23
Adv 197 Dec 177 Unc 327 Untr 163	

INNI Index

Last	4,641.55
Chg.	+14.75pts (+0.32%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
SMGR	+7.9%	ICBP	-7.0%
WIKA	+6.5%	INCO	-4.3%
CTRA	+4.8%	TLKM	-2.5%
BBRI	+4.4%	TINS	-2.1%
MAPI	+2.9%	ANTM	-1.9%

Foreign Transaction

	(IDR bn)
Buy	3,195
Sell	3,469
Net Buy (Sell)	274

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	318.7	TLKM	163.7
BNLI	38.8	BBNI	116.0
HMSP	22.1	PGAS	47.3
INDF	18.5	BMRI	45.8
UNVR	15.5	ASII	41.2

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.35%	0.02%
USDIDR	14,710	-0.31%
KRWIDR	11.92	-0.31%

Global Indices

Index	Last	Chg.	%
Dow Jones	25,548.27	553.16	2.21%
S&P 500	3,036.13	44.36	1.48%
FTSE 100	6,144.25	76.49	1.26%
DAX	11,657.69	153.04	1.33%
Nikkei	21,419.23	148.06	0.70%
Hang Seng	23,301.36	(83.30)	-0.36%
Shanghai	2,836.80	(9.74)	-0.34%
KOSPI	2,031.20	1.42	0.07%
EIDO	16.52	0.03	0.18%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,709.5	(1.1)	-0.06%
Crude Oil (USD/B)	32.81	(1.54)	-4.48%
ICE NewCastle (USD/ton)	56.20	(0.60)	-1.06%
LME Nickel (USD/MT)	12,116	(225.0)	-1.82%
LME Tin (USD/MT)	15,300	(129.0)	-0.84%
CPO (MYR/ton)	2,281	114.0	5.26%

BBRI : Wins the Most Valuable Banking Brands

PT Bank Rakyat Indonesia Tbk (BBRI) was again awarded as the Most Valuable Banking Brands in Indonesia. Annual research from Brand Finance shows that BBRI has jumped in world ranking from 92nd position to 81st position as Chinese bank ICBC gained 1st place. (Investor Daily)

BBCA : Disburses IDR 2 Trillion Loan to Bank Woori

PT Bank Central Asia Tbk (BBCA) disburses a loan of IDR2 trillion to Bank Woori for working capital purposes. The facility is a Revolving Term Loan with credit limit of IDR2 trillion. Bank Woori ensures that this facility will not have an adverse effect on its financial conditions. (Kontan)

CTRA : Maintains Occupancy Rate at 95%

PT Ciputra Development Tbk (CTRA) plans to reopen several malls on June 5th 2020. CTRA confirms that the occupancy rate will be maintained at 95% as agreed in long term contracts with tenants. Rent income from malls contributes 15% to CTRA total revenues and will be potentially affected by Covid-19 pandemic. (Kontan)

MAPI : Expects Growing Sales after Malls Reopening

PT Mitra Adiperkasa Tbk (MAPI) expects that reopening of malls on June 5th 2020 would give boost to its sales. However, MAPI is still unable to give projections on sales from each store. MAPI will continue to focus on online sales through e-commerce platforms along with Food and Beverage segment such as Starbucks. (Kontan)

Domestic & Global News

BI Prints IDR1,129.49 Trillion FY19

During 2019, Bank Indonesia (BI) has printed as much as IDR1,129.49 trillion. Up 16.21% YoY previously at IDR971.95 trillion of FY18. Based on the 2019 Annual Report of Bank Indonesia (LTBI); BI has implemented the Clean Money Policy (CMP) to maintain the availability of money worthy of circulation in Indonesia (Kontan)

U.S. Mortgage Hike for 6 Consecutive Weeks

US mortgages surged last week, a rise showing the housing market can lead to economic recovery from the COVID-19 pandemic. The Mortgage Bankers Association (MBA) said that the Purchasing Index rose 8.6% seasonally, up higher than the same week last year. It has jumped 54% since April. (Reuters)

	Last Price	End of Last Year Price	Target Price*	Rating	Upside Potential (%)	1 Year Change (%)	Market Cap (IDR tn)	Price / EPS (TTM)	Price / BVPS	Return on Equity (%)	Dividend Yield TTM (%)	Sales Growth Yoy (%)	EPS Growth Yoy (%)	Adj. Beta
Finance						(24.7)	1,728.8							
BBCA	24,825	33,425	32,000	Buy	28.9	(13.4)	612.1	21.0x	3.5x	17.5	2.2	14.1	8.5	1.1
BBRI	2,630	4,400	3,100	Buy	17.9	(31.0)	324.4	9.4x	1.8x	18.6	6.4	13.0	(0.3)	1.3
Consumer						(22.8)	1,046.3							
GGRM	47,150	53,000	59,550	Buy	26.3	(38.6)	90.7	8.3x	1.7x	21.8	5.5	4.1	3.9	1.0
KINO	2,580	3,430	4,680	Buy	81.4	(0.4)	3.7	13.6x	1.4x	10.5	4.2	11.1	(81.3)	0.9
ICBP	8,325	11,150	<i>Under Review</i>	N/A	N/A	(14.4)	97.1	17.1x	3.6x	22.6	1.6	6.7	47.8	0.8
KLBF	1,320	1,620	1,430	Hold	8.3	(2.9)	61.9	24.0x	3.8x	16.3	2.0	8.0	12.5	1.1
Infrastructure						(21.3)	610.51							
TLKM	3,170	3,970	3,940	Buy	24.3	(12.9)	314.0	16.8x	3.2x	18.8	5.2	3.7	3.5	1.0
JSMR	3,910	5,175	6,000	Buy	53.5	(27.3)	28.4	12.9x	1.5x	12.4	1.2	(28.7)	0.2	1.3
Trade						(24.0)	539.0							
UNTR	14,950	21,525	20,000	Buy	33.8	(38.5)	55.8	5.5x	0.9x	16.9	8.3	(19.0)	(40.2)	0.8
MAPI	700	1,055	1,300	Buy	85.7	(16.7)	11.6	12.5x	1.9x	16.1	1.4	14.0	27.3	1.2
Property						(29.0)	294.8							
CTRA	550	1,040	1,550	Buy	181.8	(40.9)	10.2	9.6x	0.7x	7.2	1.8	(8.3)	(33.3)	1.3
WSKT	605	1,485	960	Buy	58.7	(66.3)	8.2	8.8x	0.5x	5.2	12.1	(35.7)	(76.3)	1.7
WIKA	1,065	1,990	2,500	Buy	134.7	(51.6)	9.6	4.2x	0.6x	14.6	3.6	(12.7)	32.0	1.7
Basic Ind.						(4.7)	563.5							
SMGR	9,250	12,000	14,300	Buy	54.6	(16.3)	54.9	21.4x	1.7x	8.0	2.2	5.6	66.7	1.3
Misc Ind.						(35.1)	244.2							
ASII	4,350	6,925	8,600	Buy	97.7	(38.5)	176.1	8.3x	1.1x	14.4	4.9	(9.4)	(7.8)	1.3
Mining						(24.1)	290.1							
TINS	472	825	800	Buy	69.5	(57.3)	3.5	N/A	0.7x	(10.7)	5.3	75.2	N/A	1.5
PTBA	2,090	2,660	2,300	Hold	10.0	(30.3)	24.1	6.0x	1.2x	20.6	16.3	(4.0)	(25.0)	1.1
INCO	2,910	3,640	2,000	Sell	(31.3)	7.8	28.9	18.4x	1.0x	5.6	N/A	38.1	N/A	1.7
ANTM	520	840	1,100	Buy	111.5	(27.8)	12.5	64.5x	0.7x	1.1	2.4	29.4	(88.1)	1.6
Agriculture						(30.5)	61.0							
AALI	6,975	14,575	10,000	Buy	43.4	(32.9)	13.4	24.6x	0.7x	2.9	3.2	13.3	891.7	1.4

* Target Price for December 2020

Source: Bloomberg, NHKSI Research

INNI Summary

INNI Index Movement

YTD Change	-29.9%
YTD Change Gap (vs JCI)	-3.8%
Weekly Change	4.6%
Weekly Change Gap (vs JCI)	1.6%

INNI Market Capitalization

Market Cap (IDR tn)	3,464
Market Cap (%)	47.27

INNI Index



Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	GE	15.00	IFO Business Climate	May	79.5	78.5	74.3
25 - <i>May</i>	GE	15.00	IFO Expectations	May	80.1	75	69.4
Tuesday	US	21.00	New Home Sales	Apr	623k	480k	627k
26 - <i>May</i>	US	21.00	Conf. Board Consumer Confidence	May	86.6	87	86.9
Wednesday	US	18.00	MBA Mortgage Applications	May	2.7%	-	-2.6%
27 - <i>May</i>							
Thursday	GE	19.00	CPI MoM	May		-0.1%	0.4%
28 - <i>May</i>	GE	19.30	CPI YoY	May		0.6%	0.9%
	US	19.30	GDP Annualized QoQ	1Q20		-4.8%	-4.8%
	US	19.30	Durable Goods Orders	Apr		-19.8%	-14.7%
	US	19.30	Initial Jobless Claims	May		2100k	2438k
Friday	EC	15.00	M3 Money Supply YoY	Apr		8.2%	7.5%
29 - <i>May</i>	US	19.30	Wholesale Inventories MoM	Apr		-0.5%	-0.8%
	US	19.30	Personal Income	Apr		-6.5%	-2.0%
	US	19.30	Personal Spending	Apr		-12.8%	-7.5%
	US	20.45	MNI Chicago PMI	May		40	35.4
	US	21.00	U. of Mich. Sentiment	May		74	73.7

Source: Bloomberg

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